



2001 SENATE BILL 114

March 28, 2001 - Introduced by Senator GEORGE, cosponsored by Representatives FRISKE, J. LEHMAN, YOUNG, KRAWCZYK and BERCEAU. Referred to Committee on Health, Utilities, Veterans and Military Affairs.

1 **AN ACT** *to renumber and amend* 25.66 (1) and 49.45 (5r); *to amend* 20.436 (1)
2 (tc); *to repeal and recreate* 255.15 (3) (title); and *to create* 20.435 (4) (q),
3 20.436 (1) (td), 20.436 (1) (te), 25.66 (1) (b), 49.45 (5r) (a) 1. and 2., 255.15 (1m)
4 (g), 255.15 (1m) (h), 255.15 (3g) and 255.15 (3r) of the statutes; **relating to:** the
5 tobacco control fund, supplemental payments to certain hospitals, payments to
6 counties for costs of tobacco-related illnesses and health care benefits and for
7 any other tobacco-related costs, grants to tobacco farmers, granting
8 rule-making authority, and making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, this state receives moneys as part of the Attorneys General Master Tobacco Settlement of November 23, 1998, (tobacco settlement). The settlement requires tobacco companies to make payments to the states in perpetuity. Currently, a portion of the tobacco settlement moneys is deposited in the tobacco control fund. The remaining tobacco settlement moneys are deposited in the general fund. A portion of the moneys that is deposited in the tobacco control fund is appropriated to the tobacco control board (board) for general program operations, for distribution to specific smoking cessation and prevention programs, and for grants for smoking cessation education, research, and enforcement programs.

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Also, under current law, the department of health and family services (DHFS) makes supplemental payments to hospitals that have, in the most recent fiscal year preceding payment, medical assistance revenues that were at least 8% of the hospital's total revenues. DHFS may not expend more than \$2,451,000 for the payments.

This bill requires that all of the tobacco settlement moneys that are received after the effective date of this bill be deposited in the tobacco control fund. The bill directs that these moneys, less any moneys appropriated for the general program operations of the board, be appropriated in the following amounts for the following purposes:

1. Fifty percent to the board to make payments to counties for costs of treating tobacco-related illnesses, for costs of providing tobacco-related health care benefits to county employees and their dependents, and for any other tobacco-related costs determined by the board. The bill requires the board to promulgate rules that specify the criteria and procedures for making the payments and specify the formula for calculating the amount of each county's payment.

2. Thirty percent to DHFS to make annual supplemental payments to hospitals.

3. Ten percent to the board to award grants to tobacco farmers to compensate the farmers for lost revenue resulting from a reduction in the number of acres farmed for tobacco or to cover the costs of planting crops other than tobacco on land that was previously used to grow tobacco. Under the bill, the board must promulgate rules that specify the eligibility criteria and grant application process for the grants.

4. Ten percent to the board for distribution to the specific smoking cessation and prevention programs that are currently funded with tobacco settlement moneys, and for the grants for smoking cessation education, research, and enforcement programs.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.435 (4) (q) of the statutes is created to read:

2 20.435 (4) (q) *Supplemental payments to hospitals.* From the tobacco control
3 fund, 30% of all moneys received under the Attorneys General Master Tobacco
4 Settlement Agreement of November 23, 1998, other than those moneys appropriated
5 under s. 20.436 (1) (tb), for making the payments under s. 49.45 (5r).

6 **SECTION 2.** 20.436 (1) (tc) of the statutes is amended to read:

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1 20.436 (1) (tc) *Grants for tobacco control*. ~~As a continuing appropriation, the~~
2 amounts in the schedule Ten percent of all moneys received under the Attorneys
3 General Master Tobacco Settlement Agreement of November 23, 1998, other than
4 those moneys appropriated under par. (tb), for the purposes specified under s. 255.15
5 (3).

6 **SECTION 3.** 20.436 (1) (td) of the statutes is created to read:

7 20.436 (1) (td) *Payments to counties*. Fifty percent of all moneys received under
8 the Attorneys General Master Tobacco Settlement Agreement of November 23, 1998,
9 other than those moneys appropriated under par. (tb), for payments to counties
10 under s. 255.15 (3g).

11 **SECTION 4.** 20.436 (1) (te) of the statutes is created to read:

12 20.436 (1) (te) *Grants to tobacco farmers*. Ten percent of all moneys received
13 under the Attorneys General Master Tobacco Settlement Agreement of November
14 23, 1998, other than those moneys appropriated under par. (tb), for grants to tobacco
15 farmers under s. 255.15 (3r).

16 **SECTION 5.** 25.66 (1) of the statutes is renumbered 25.66 (1) (intro.) and
17 amended to read:

18 25.66 (1) (intro.) There is created a separate nonlapsible trust fund, known as
19 the tobacco control fund, to consist of, ~~in fiscal year 1999-2000, the~~ all of the
20 following:

21 (a) The first \$23,500,000 of the moneys received in fiscal year 1999-2000 under
22 the Attorneys General Master Tobacco Settlement Agreement of
23 November 23, 1998.

24 **SECTION 6.** 25.66 (1) (b) of the statutes is created to read:

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1 25.66 (1) (b) All of the moneys received after the effective date of this paragraph
2 [revisor inserts date], under the Attorneys General Master Tobacco Settlement
3 Agreement of November 23, 1998.

4 **SECTION 7.** 49.45 (5r) of the statutes is renumbered 49.45 (5r) (a) (intro.) and
5 amended to read:

6 49.45 (5r) (a) (intro.) ~~From the appropriations under s. 20.435 (4) (b) and (o),~~
7 ~~the~~ The department shall distribute ~~not more than \$2,451,000, beginning on~~
8 ~~July 1, 2000, all of the following~~ as a supplemental payment payments to a hospital
9 hospitals for which medical assistance revenues were at least 8% of the hospital's
10 total revenues in the most recent fiscal year prior to the year of payment.:

11 (b) The department shall calculate a qualifying hospital's supplemental
12 payment amount under par. (a) by multiplying the total amount by the percentage
13 obtained by dividing the hospital's total medical assistance revenues in the most
14 recent prior fiscal year by the total amount of medical assistance revenues for all
15 qualifying hospitals for that period.

16 **SECTION 8.** 49.45 (5r) (a) 1. and 2. of the statutes are created to read:

17 49.45 (5r) (a) 1. Beginning July 1, 2000, from the appropriations under s.
18 20.435 (4) (b) and (o), not more than \$2,451,000.

19 2. Annually, from the appropriation under s. 20.435 (4) (q), all of the moneys
20 appropriated under s. 20.435 (4) (q).

21 **SECTION 9.** 255.15 (1m) (g) of the statutes is created to read:

22 255.15 (1m) (g) No later than the first day of the fourth month beginning after
23 the effective date of this paragraph [revisor inserts date] promulgate rules
24 specifying the criteria and procedure for making payments to counties under sub.
25 (3g) and specifying the formula for calculating the amount of each county's payment

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1 under sub. (3g). The board shall consult with the Wisconsin counties association
2 before promulgating any rules under this paragraph.

3 **SECTION 10.** 255.15 (1m) (h) of the statutes is created to read:

4 255.15 **(1m)** (h) Promulgate rules specifying the application procedures and
5 eligibility criteria for grants awarded under sub. (3r).

6 **SECTION 11.** 255.15 (3) (title) of the statutes is repealed and recreated to read:

7 255.15 **(3)** (title) GRANTS FOR TOBACCO CONTROL.

8 **SECTION 12.** 255.15 (3g) of the statutes is created to read:

9 255.15 **(3g)** PAYMENTS TO COUNTIES. From the appropriation under s. 20.436 (1)
10 (td), the board shall make annual payments to counties, as specified in the rules
11 promulgated under sub. (1m) (g), for reimbursement of costs of treating
12 tobacco-related illnesses, costs of providing tobacco-related health care benefits to
13 county employees and the dependents of county employees, and any other
14 tobacco-related costs as determined by the board.

15 **SECTION 13.** 255.15 (3r) of the statutes is created to read:

16 255.15 **(3r)** GRANTS TO TOBACCO FARMERS. From the appropriation under s.
17 20.436 (1) (te), annually, the board shall award grants to tobacco farmers who meet
18 the eligibility criteria specified in the rules promulgated under sub. (1m) (h) as
19 compensation for revenue that is lost as a result of a reduction in the number of acres
20 farmed for tobacco or to cover costs of planting crops other than tobacco on land that
21 was previously used to grow tobacco.

22 (END)